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DIA, OSD and DOS review(s) completed.

## CONFIDENTIAL

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#### GENERAL

- Intelligence Division, commenting on the Yugoslav attacks on US planes, expresses the view that (a) while the Tito regime is "voluntarily completely subservient" to Moscow, most Yugoslav Communists lack a long background of discipline and may "exceed or distort Moscow objectives"; and (b) Tito's former truculence and subsequent acceptance of US demands following the plane attacks constitute—a substantial loss of prestige for the Tito Government. The Division believes that the incident has served Soviet ends (a) by contributing to the delay of peace negotiations, (b) by prolonging the employment of Soviet occupation forces and (c) by impressing the Western Powers with the difficulties of resolving problems in a manner unfavorable to the USSR.
- 2. Algiers visit urged for US carrier—The Governor of Algeria has informed Caffery of his concurrence with Caffery's recommendation that the ROOSE—VELT visit Algiers and Bone. The Governor is "extremely apprehensive" about Communist activities in Algeria.
- Reaction to US proposal for admission of UN applicants-Herschel Johnson reports that informal and private conversations with Security Council delegates disclose the following views regarding the US proposal for admission of all nine applicants: (a) Secretary-General Lie "earnestly" supports the US proposal and believes that the use of the veto would "further lower" world esteem for the Security Council; (b) Parodi would like to vote affirmatively for Siam, but, under present instructions and pending the outcome of French-Siamese negotiations, is obliged to cast a negative vote; (c) Cadogan supports the British Foreign Office opposition to Albania and Mongolia, but may agree to the US proposal if all others, including the USSR, have meanwhile acceded; (d) Gromyko has informed Lie privately that he will vote against Portugal and Ireland; (e) Van Kleffens, although concerned about Albanian disregard for treaties, is favorably disposed toward the US proposal; and (f) the Brazilian, Mexican, and Egyptian delegates have assured Johnson of their support. (Johnson has made it clear that the US reserves its position on individual applicants if unanimous consent to the admission of all applicants cannot be secured.)

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# TOP SECRET DENTIAL

- 4. Swedich view on trade agreement with USSR--According to US Embassy Moscow, the Swedish Minister feels that the proposed Soviet-Swedish trade agreement does not run counter to US international trade proposals and that the US misgivings regarding the agreement (see Daily Summary of 15 August, item 2) were based on misunderstanding. The Minister pointed out that Sweden, as a close neighbor of the USSR, must consider "political implications," adding that he feared US representations in the matter would be interpreted by Soviet authorities as an attempt to prevent Sweden from trading with the USSR.
- 5. US radio broadcasts to USSR--US Embassy Moscow believes that the USSR could not validly object to relays of official American radio broadcasts to the USSR through a US station in Germany. The Embassy adds, however, that the program should not be undertaken unless clear unfading reception by the "average Russian listener" is assured "night after night."

#### **EUROPE-AFRICA**

6. USSR: "Radio ship" goes to White Sea-the Soviet "radio ship" previously reported "spotting rockets" in the North Baltic (see Daily Summary of 16 August, item 6) has passed from the Gulf of Finland through
the canal system into the White Sea area.

### FAR EAST

- 7. INDIA: Moslem official fears further disorders—An important Moslem League official has told US Consulate Karachi that a Nehru-Jinnah compromise is impossible and that the establishment of a Nehru interim Government next week will be immediately followed by riots throughout India far worse than those in Calcutta. The official claimed that the British are deliberately fostering an unworkable administration to prove that India is incapable of self-government.
- 8. SIAM: Results of Prime Minister's resignation—US Legation Bangkok believes that Pradit, despite his replacement as Premier, will continue to be the real power in the Siamese Government. The Legation expects, however, that Pradit's withdrawal from active administration will result in increased inefficiency and vaciliation.

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TOTOMPTET TOTAL

9. N.E.I.: British explore possibility of mediation—US Consul General Singapore reports that Lord Killearn, UK Special Commissioner in Southeast Asia, is proceeding to Batavia on 26 August, presumably to determine whether the Dutch and Indonesians would welcome British mediation in the forthcoming negotiations.

#### THE AMERICAS

10. ARGENTINA: "Deeds, not promises" to govern US arms export—The State Department has informed Embassy Stockholm that there are some indications that Argentina intends to comply with her international commitments, but that the US will not sell or export arms to her until there has been actual performance rather than "promises." (Sweden previously decided to export arms to Argentina but promised, in view of US objections, to delay shipments until late September—see Daily Summaries of 30 July, item 6, and 8 August, item 1.)